GOVERNMENT OF INDIA
STEEL
LOK SABHA

STARRED QUESTION NO:319
ANSWERED ON:11.08.2003
PRICES OF IMPORTED AND INDIGENOUS STEEL
JASWANT SINGH BISHNOI

Will the Minister of STEEL be pleased to state:

(a) the quantity of steel imported during the last three years;

(b) the extent of difference between the prices of imported and the indigenous steel and the additional expenditure incurred as a result thereof;

(c) the steps being taken to minimise the same and develop indigenous industry;

(d) whether the Government propose to formulate any action plan to boost the export of steel; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)to(e): A statement is placed on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION No.319 T(ANSWERED ON 11.8.2003 TABLED BY SHRI JASWANT SINGH BISHNOI REGARDING PRICES OF IMPORTEL INDIGENOUS STEEL

(a) The quantity of steel (Finished Carbon Steel) imported by India during the last three years is given below:

(In million tonnes)

Year	Quantity
2002-03	1.5
2001-02	1.3
2000-01	1.4

Source: Joint Plant Committee

Provisional

(b) Landed cost of imports as well as the domestic prices vary from place to place and over line depending on specific market conditions. For a broad comparison the landed cost of imports and the domestic price at Mumbai market for some major items of import during May 2003 is as follows:

(Rs. per tonne)

Items	Landed Cost of Import (A)	Domestic Price (Mumbai) (B)	Difference (A - B)

Wire Rods	23071	18000	5071
TOR Steel	122719	17000	5719
HR Coil	20256	23500	(-) 3244
CR Coil	25534	26500	(-) 966
GP Sheet	33627	31000	2627

Source: Economic Research Unit

(c) Post liberalisation, the prices are decided by the individual producers depending on prevailing market forces. The Government monitors the general conditions within which the industry operates and provides general incentives through the budgetary process and other policy programmes.

(d) & (e): In a deregulated and decontrolled environment, the market strategy, including exports is primarily decided by the individual producers. Indian Steel Producers have been taking several steps which, inter-alia, include up-gradation of technology, improvement in productivity, improvement in quality of products and adoption of an appropriate product-mix to suit the requirements of the international markets. The producers continue with exploration/ consolidation of new and nontraditional markets.

The following general steps have been taken by the Government to boost exports:

(i) The latest amendment to the Exim Policy for 2002-07 has proposed several measures which would benefit the prospects of exporting units and facilitate export, import operations in general

(ii) A Steel Exporters` Forum has been set up to remove bottlenecks in steel exports.

(iii) Active support to the steel industry in dealing with trade actions taken up by the importing countries.

(iv) Research and development efforts in the steel sector, aimed expanding the export basket, with stress on value addition of products.